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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 21, 2010

Carl Fillmore
Huntington Cleveland Irrigation Company
71 North Main
P. O. Box 327
Huntington, Utah 84528

Subject: Surety Required, Huntington Cleveland Irrigation Company, HCIC Upper Pond Borrow Site, S/015/0100, Emery County, Utah

Dear Mr. Thompson:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI). One item needs to be completed:

Please list all officers under section 4 of the NOI.

Please provide your response as a replacement page to the original NOI, using Form MR-REV-SMO/EXP, available on the Division's web site at www.ogm.utah.gov.

Before issuing final approval, the Division must receive the reclamation surety in the amount of \$25,000.00 (three-year escalation) or \$25,100.00 (five-year escalation). This amount is based on average costs per acre for reclaiming comparable large mines as detailed below:

Small Mining Operation Notices

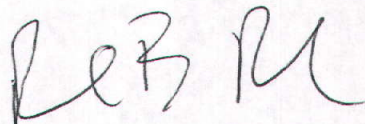
Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,500 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,400/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5-acres	(i.e. Maximum of 5 acres = \$7,400 + \$17,6200 = \$25,000) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 + \$17,600 = \$25,100) (5-year escalation)	\$25,000.00 for three years \$25,100.00 for five years

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The State Historic Preservation Officer (SHPO) notified the Division that the project has the potential to affect cultural resources, and you should have received a letter from the School and Institutional Trust Lands Administration (SITLA) requiring that a survey be completed. With the information from this survey, the Division will be able to make a determination of possible effects on cultural resources.

If you have any questions regarding this letter, please call me at 801-538-5261 or Wayne Western at 801-538-5263. In reply, please refer to file number S/015/0100. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Minerals Program Manager